

<p align="center">2003-2004 ANNUAL REPORT</p>

CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Storm Sewer Capital Fund

The Storm Sewer Capital Fund receives revenue from the Storm Sewer Operating Fund to account for capital expenditures.

***Storm Sewer
Capital Fund***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 1,946	\$ 1,935	\$ (11)	(.6%)
<i>Expenditure</i>	3,502	580	2,922	83.4%
<i>Fund Balance (est. *)</i>	3,453 *	4,148	695	20.1%

The negative revenue variance (\$11,000) is solely due to lower than budgeted interest earnings.

Unexpended project funds resulted in a \$2.9 million positive variance in budgeted program expenditures. Included in this variance is \$2.2 million that was rebudgeted in the 2004-2005 Adopted Capital Budget for the Albany-Kiely Storm Drainage Improvement Phase II project (\$1.8 million), the Guadalupe River Park Outfalls project (\$235,000), and Minor Neighborhood Storm Drain Improvements project (\$200,000). The Albany-Kiely Storm Drainage Improvement Phase II project (\$451,000) and Miscellaneous Projects allocation (\$22,000) ended the year with additional expenditure savings that are recommended for rebudget in this document for 2004-2005.

The 2003-2004 ending fund balance ended the year \$695,000 higher than the estimated level. The variance is attributed to lower than expected interest earnings (\$11,000) and expenditure savings (\$706,000). As described above, \$473,000 of the expenditure savings are recommended for rebudget as part of this report.